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IN REFERENCE TO:  
029874-00001

August 13, 2009

**Via Electronic Filing**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
Wireline Competition Bureau Application  
P. O. Box 979091  
St. Louis, MO 63197

***Re: In the Matter of the Application of Stockholders of Qualstar Communications, Inc., Transferor and Defiance Holdings, LLC, Transferee  
WC Docket No. 09-139***

Dear Ms. Dortch:

This letter shall serve as the supplemental filing of Qualstar Communications, Inc. ("Qualstar") in the above referenced matter in response to a request for additional information by Wireline Competition Bureau. Qualstar, through their undersigned counsel, now makes this supplemental filing to provide additional information regarding the proposed transaction referenced in that certain application filed by Qualstar and Defiance Holdings, LLC ("Defiance") pursuant to Section 214 of the Federal Communications Act, as Amended 47 U.S.C. §214 and §63.04 of the Commissions Rules, 47 C.F.R. §63.04.

Qualstar, an Ohio corporation, with its principal offices located at 417 Wayne Avenue, Suite 102, Defiance, OH 43412, is a local exchange provider to small business customers in Ohio. The selling stockholders of Qualstar are The Harpest Revocable Trust u/a/d May 29, 2004, whose Grantors and Co-Trustees are Todd Robert Harpest and Deborah Kay Harpest, current shareholder ownership of 37%, Ms. Kisha Merkel who currently owns 39% and Ms. Julie Latham who currently owns 22.7% of Qualstar. All current selling shareholders of Qualstar are United States citizens and do not have any ownership interest in any Affiliate telecommunications company.

Applicants respectfully submitted their Application for streamlined processing pursuant to Section 63.03 of the Commission's Rules, 47 C.F.R. §63.03. With respect to domestic authority, Applicants submitted that the Application is eligible for streamline processing pursuant to Section 63.03 (b)(2)(ii) because, immediately following the closing of the transaction (1) Applicants and their Affiliates, as defined in Section 3(1) of the Communications Act combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which is a party to the proposed transaction) and; (3) Applicants or their Affiliates are dominant single exchange carriers and the non-dominant transferor or carrier provides services exclusively outside the geographic area where the dominant carrier is dominant.

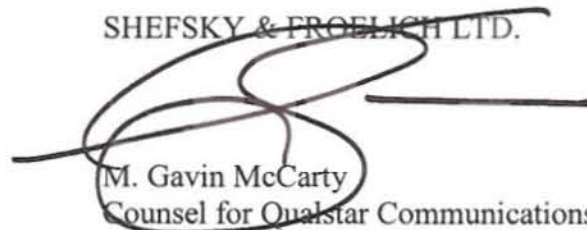
In further support of this position, Applicants submit demonstrative exhibits A-C showing that Qualstar's current customers are located outside of the geographic area where the dominant carrier is dominant. Specifically, there are seven Qualstar customer locations total and each of those locations are outside the serving territory of Defiance and its Affiliates, Ayersville Telephone Company, Arthur Mutual Telephone Company and Sherwood Mutual Telephone Association, Inc.

For the Commissions' convenience, attached are illustrative maps showing the locations of the Qualstar customers and which further show that those customers are located within ILEC exchanges that are not associated with this transaction. Exhibit "A" shows Paulding County, OH, and the service territory of Arthur Mutual Telephone Company. Qualstar's nearest customer is in Paulding, OH, and located within the service territory of Alltel Ohio. Exhibit "B" shows the service territory of Ayersville Telephone Company and Sherwood Mutual Telephone Association, Inc. Qualstar's nearest customers are located in Defiance, OH. Within the service territory of United d/b/a Sprint. Exhibit "C" shows all Qualstar customers for the Commissions' convenience.

If there are any additional questions regarding the Application, please feel free to contact me so that we can provide the necessary information.

Very truly yours,

SHEFSKY & FROELICH LTD.



M. Gavin McCarty  
Counsel for Qualstar Communications, Inc.

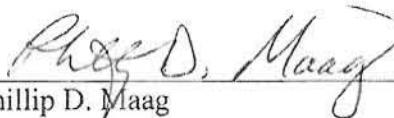
### VERIFICATION

I, Phillip D. Maag, state that I am President of Defiance Holdings, LLC; that I am authorized to make this Verification on behalf of Defiance; that I have reviewed the foregoing filing; and, that the contents with respect to Defiance are true and accurate to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 12th day of August, 2009.

Name:

Title:

  
Phillip D. Maag

President

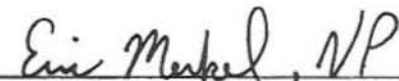
Defiance Holdings, LLC

### VERIFICATION

I, Eric Merkel, state that I am Vice President and Director of Qualstar Communications, Inc. and authorized representative of Selling Stockholders; that I am authorized to make this Verification on behalf of Qualstar and Selling Stockholders; that I have reviewed the foregoing filing; and, that the contents with respect to Qualstar are true and accurate to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 11th day of August, 2009.

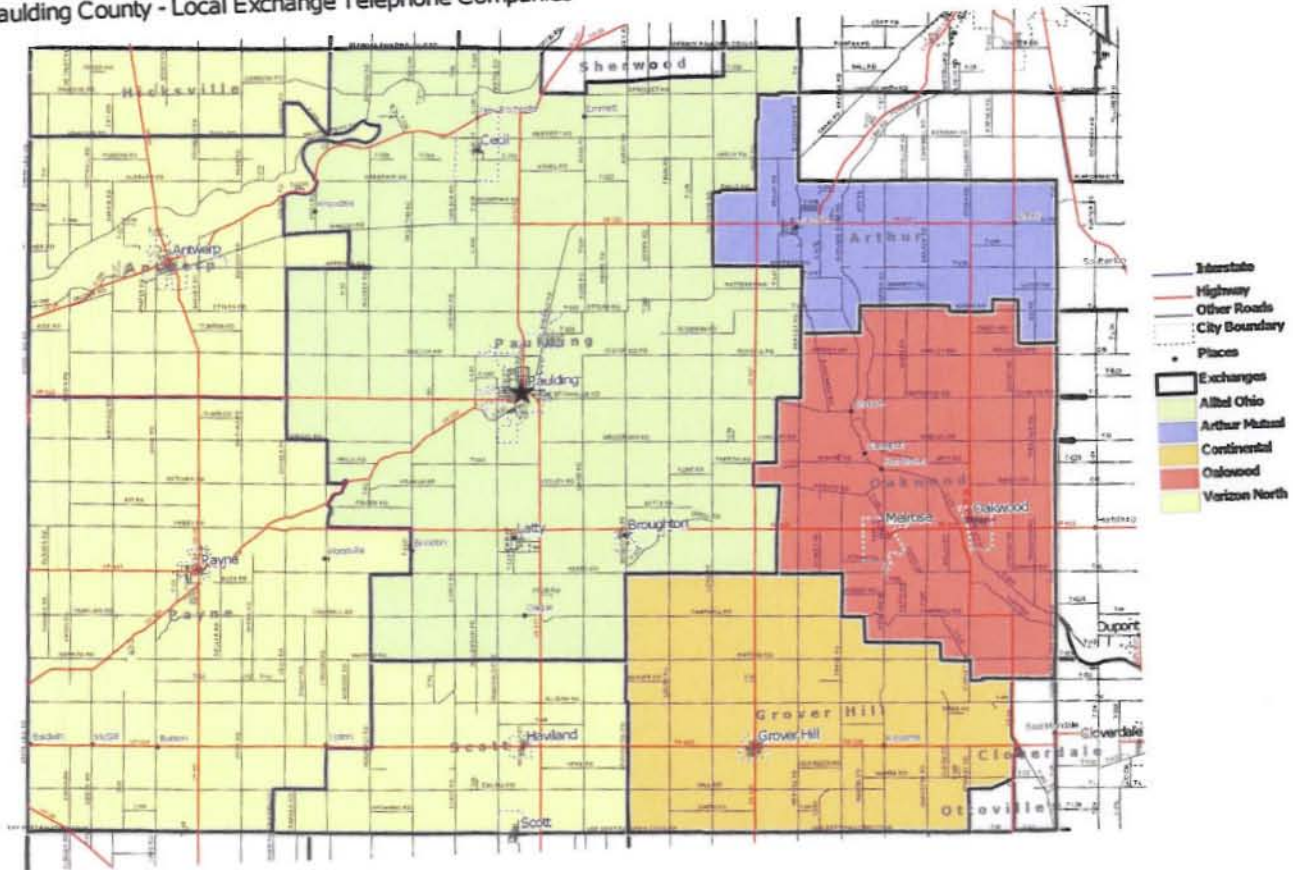
Name:  
Title:

  
Eric Merkel  
Vice President and Director of  
Qualstar Communications, Inc.

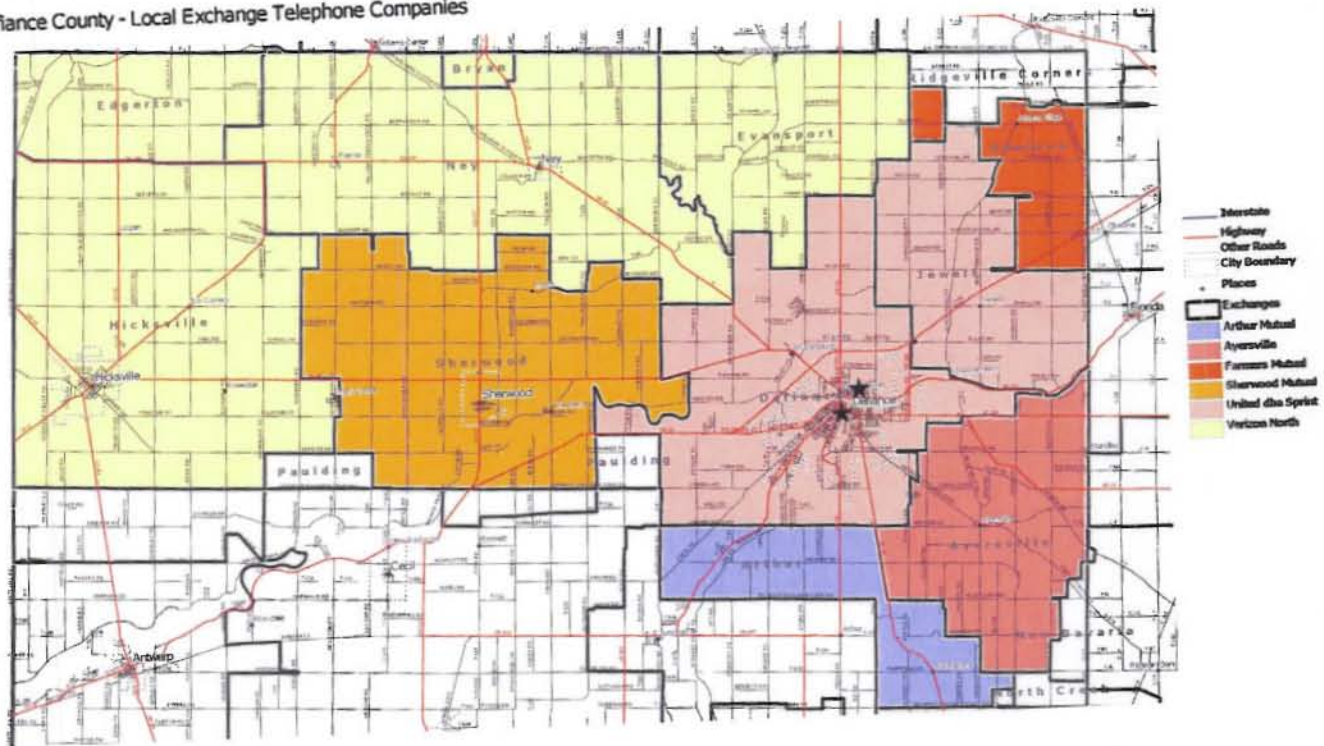


# Exhibit "A"

## Paulding County - Local Exchange Telephone Companies



## Defiance County - Local Exchange Telephone Companies





# Exhibit "C"

